

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113  
Sacramento, CA

Minutes of Meeting  
June 12, 2008

**COMMISSIONERS PRESENT**

Cathie Bennett Warner, Chair  
Michele Burton, M.P.H.  
Marvin Kropke  
Vicki Marti  
Nancy McFadden

**COMMISSIONERS ABSENT****EX-OFFICIO MEMBERS PRESENT**

Cathy Halverson, Department of Health Care Services  
John Fitzpatrick II, Department of Finance

**EX-OFFICIO MEMBERS ABSENT****CMAC STAFF PRESENT**

J. Keith Berger, Executive Director  
Tacia Carroll  
Paul Cerles  
Denise DeTrano  
Holland Golec  
Mark Klobberdanz  
Katie Knudson  
Jenny Morgan  
Becky Swol  
Mike Tagupa  
Karen Thalhammer

**I. Call to Order**

The June 12, 2008 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Cathie Bennett Warner. A quorum was present.

**II. Approval of Minutes**

The May 22, 2008 meeting minutes were approved, after an amendment was made, as prepared by CMAC staff.

### **III. Approval Consideration of the Opening of Health Facility Planning Area (HFPA) 513 - Sonora**

Keith Berger, Executive Director, began his report by informing the Commissioners that State statutes authorize CMAC to determine when there is sufficient bed capacity under contract in Health Facility Planning Area (HFPA) to meet the needs of Medi-Cal beneficiaries. That area is then "closed" and Medi-Cal beneficiaries can still go to any hospital for emergency services, but only to contract hospitals for elective admissions (with exceptions to assure access). In HFPA 513 – Sonora, CMAC had one contract hospital – Tuolumne General Hospital, the county facility, and one non-contract hospital. The general acute care portion of Tuolumne General Hospital has been closed, so CMAC no longer has any contract hospitals in that HFPA. Mr. Berger noted that there is one non-contract hospital, so patients will be able to receive care, but CMAC does not have any beds under contract.

Mr. Berger said that it is therefore necessary to make a determination at this time that there are insufficient hospitals under contract in HFPA 513 to meet the needs of Medi-Cal beneficiaries. Mr. Berger recommended that the Commissioners take action to "open" that area. The Commissioners approved the opening of HFPA 513.

### **IV. Executive Director's Report**

Regarding the budget, Mr. Berger indicated that the Legislature has been reviewing the Governor's May Revision and taking final action on the budget. Much of it is going to conference committee this year, which is scheduled to begin today. Mr. Berger noted that the two Administration proposals regarding rates for non-contract hospitals in the fee-for-service and managed care programs that were summarized by the Departments of Finance (DOF) and Health Care Services (DHCS) at the last CMAC meeting, were approved in concept by both the Assembly and Senate and sent to conference committee with the direction to continue discussions with interested parties and revise the proposed trailer bill language to try and address issues that had been raised, including the mechanics of how it will work.

Mr. Berger added that the Senate Budget Committee also approved language as part of another Medi-Cal budget item that provided for placeholder trailer bill language that would 1) Move responsibility for establishing reimbursement levels for Geographic Managed Care (GMC) plans from CMAC to DHCS and 2) Address the future structure of CMAC. Mr. Berger noted that these two items were unexpected additions to the agenda. They were not part of the Assembly budget and so will be conference committee items. Mr. Berger said that he requested background information from the Senate Budget Committee, especially on the objectives of the second item regarding the future structure of CMAC. He said he has not had any response yet, but that the staff is continuing to seek such information from whatever sources are available.

Regarding CMAC's Annual Report, Mr. Berger explained that a draft of the proposed 2008 CMAC Annual Report to the Legislature has been provided to the Commissioners for their review. He asked them to please communicate any thoughts or comments that the Commissioners have to either Katie Knudson or to Mr. Berger himself by the middle of the following week so that CMAC staff can incorporate them into the final document. Mr. Berger said that he would send the Commissioners a copy of the final version prior to the June 26, 2008 CMAC meeting, and then seek their approval of the report at that meeting so that CMAC can move forward with the distribution.

Mr. Berger concluded his report by informing CMAC that there are seven managed care and hospital contracts and amendments before the Commissioners for their review and action in closed session as well as a number of updates and discussions regarding current hospital and managed care negotiations and negotiation strategies.

#### **V. Department of Health Care Services (DHCS) Report**

Cathy Halverson, DHCS, explained that last week DHCS met with various stakeholders, hospitals and managed care plans, separately, to obtain their reactions to the proposed reimbursement changes to non-contracting hospitals. Ms. Halverson noted that DHCS would be meeting with hospitals and managed care plans, again in a joint meeting to discuss these proposed issues further.

Ms. Halverson informed CMAC that DHCS would be releasing the 2008-09 tentative Disproportionate Share Hospital (DSH) list soon, which then allows hospitals to review the data used and submit new or corrected data to determine their eligibility as a DSH hospital. Issuance of the tentative DSH list will also enable CMAC to begin moving forward with the 2008-09 Private and Nondesignated Public Hospital Supplemental Fund processes early next fiscal year.

Ms. Halverson indicated that DHCS has met all accounting deadlines to make the year-end payments to hospitals which have been negotiated by CMAC, including payments from the Distressed Hospital Fund (DHF), from the supplemental funds, and from several county Intergovernmental Transfers (IGT).

Finally, Ms. Halverson reported that under the 2005 Health Coverage Initiative, currently, 58,000 people have been enrolled, which is an increase from her last update.

#### **VI. New Business/Public Comments/Adjournment**

There being no new business and no comments from the public, Chair Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.